

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL****FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

0 2 - 0 2 0

2. STATE:

Indiana

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

10-1-02

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

1902(f) and 1902(a)(10)(E) of the Soc Sec Act

7. FEDERAL BUDGET IMPACT:

a. FFY 2003 \$ 0

b. FFY 2004 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement 8b, Attachment 2.6-A, pages 21-24

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Supplement 8b, Attachment 2.6-A, page 2

10. SUBJECT OF AMENDMENT:

Long Term Care Insurance disregard

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Melanie Bella

13. TYPED NAME:

Melanie Bella

14. TITLE:

Asst. Secretary, OMPP

15. DATE SUBMITTED:

12/19/02

16. RETURN TO:

Melanie Bella, Assistant Secretary
Office of Medicaid Policy & Planning
402 W. Washington, Room W382
Indianapolis, IN 46204
ATTN: Tracy Brunner, Plan Coordinator**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

12/27/02

18. DATE APPROVED:

3/27/03

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

10-01-02

20. SIGNATURE OF REGIONAL OFFICIAL:

Cheryl A. Harris

21. TYPED NAME:

Cheryl A. Harris

22. TITLE: Associate Regional Administrator
Division of Medicaid and Children's Health

23. REMARKS:

RECEIVED

DEC 27 2002

DMCH - ILIANA

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Indiana

II. Consideration of Resources Invested In Qualified Long Term Care Insurance

Eligibility Groups covered:

Aged and Disabled - Section 1902 (f) of the Social Security Act, 42 CFR 435.121

Qualified Medicare Beneficiary - Section 1902 (a) (10) (E) of the Social Security Act

- A. A resource disregard in the amount specified in item B below is given to an individual who has purchased a qualified long term care insurance policy as defined in Indiana Statute 12-15-39.6, or a long term care insurance policy issued in another state that has entered into a reciprocal agreement with Indiana pursuant to Indiana Statute 12-15-39.6-13 and such long term care insurance policy is covered under the reciprocal agreement, and has used such policy to pay for long term care services in a setting other than an acute care wing of a hospital.

If an individual is entitled to a resource disregard under this provision, the individual's resources that are subject to the disregard are also disregarded in determining the eligibility of the individual's spouse or minor child, if the individual's resources would otherwise be considered in determining eligibility for the spouse or child. In determining eligibility for the spouse or child, the disregard applies to the following:

- (1) all resources in the sole name of the individual;
- (2) all ownership interest in resources jointly held with someone other than the Medicaid applicant; and
- (3) fifty percent (50%) of all resources jointly held with the Medicaid applicant.

- B. The amount of the disregard is equal to the following:

- (1) For individuals who purchase less than the State set dollar amount* of qualified insurance policy benefits, the amount of the disregard is equal to the amount of payments made under the insurance policy.
- (2) For individuals who purchase the State set dollar amount* or more of qualified insurance policy benefits, the amount of the disregard is equal to all of the individual's resources once the insurance policy benefits have been exhausted.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Indiana

- (3) For individuals who purchase a long term care insurance policy in another state and such policy is covered under a reciprocal agreement defined in item A above, the amount of the disregard is equal to the amount of payments made under the insurance policy.
- C. The phrase "State set dollar amount*" used in item B. above is equal to \$140,000 in calendar year 1998 and increases by 5% compounded each calendar year, rounded to the nearest one dollar (i.e., year 1999 = \$147,000; year 2000 = \$154,350; year 2001 = \$162,068; year 2002 = \$170,171; year 2003 = \$178,680; etc...). In Indiana, \$140,000 equals approximately 3.7 years of nursing home care at the average daily private pay rate of \$103 per day (computed in 1997).
- D. Such disregard is in effect for the lifetime of the individual who has purchased the long term care insurance policy and used the policy to pay for long term care services.
- E. Resources disregarded under this provision are not subject to recovery of medical payments made on behalf of the individual.

TN No. 02-020
Supersedes
TN No. 01-001

Approval Date MAR 21 2003

Effective Date 10-1-02